

(b) While it is difficult to estimate the exact quantity of soiled notes in circulation at any given point of time, during 1996-97 (July-June), the Reserve Bank of India had received around 4300 million pieces of soiled notes in all denomination back from circulation.

(c) The following steps have been taken to overcome the situation:

- (1) Coinisation of lower denomination notes of Re. 1, Rs. 2 and Rs. 5 and diversion of the capacity so released for printing notes of higher denominations.
- (2) Modernisation of the two note printing presses at Nashik and Dewas.
- (3) Setting up of two new note-printing presses under RBI, i.e. one at Mysore (Karnataka) and other in Salboni (West Bengal) with an annual capacity of 4950 million pieces each.
- (4) Import of 3,600 million pieces of printed notes from abroad, as a one time measure.

[Translation]

#### **Loan Relief Scheme**

533. SHRI GIRDHARI LAL BHARGAVA : Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government had cleared Loan Relief Scheme in 1989-90;

(b) whether as per the original scheme there was a provision in the scheme to compensate the full amount of relief to the Central Co-operative Banks/Primary Land Development Banks in advance or within the period of 15 days after receiving the claim;

(c) if so, whether the full amount of relief was compensated to the Central Cooperative Banks/Primary Land Development Banks;

(d) whether NABARD has slashed the amount of Rs. 14.69 crores at the rate of 5 per cent from the claims submitted by Central Cooperative Banks/Primary Land Development Banks of Rajasthan and if so, the justification thereof; and

(e) whether as per the scheme 'NABARD' has received claims from Rajasthan Cooperative Department to compensate the interest of Rs. 40.33 crores as the payment was not made in time and if so by when the payment of the said claim is likely to be made by the Union Government/NABARD?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (e) Presumably the Hon'ble Member is referring to the Agricultural & Rural Debt Relief (ARDR) Scheme, 1990 which was formulated

and implemented by the Central Government during the year 1990. The Scheme envisaged providing debt relief to selected category of borrowers of public sector banks and Regional Rural Banks (RRBs) who complied with eligibility criteria prescribed under the scheme. The State Government also formulated their own schemes for borrowers of cooperatives. While the debt relief given by the public sector banks and RRBs were to be fully reimbursed by the Central Government, under the State scheme, the burden of providing debt relief by the cooperatives was to be shared between the Central Government and the State Governments on a 50:50 basis.

The claims lodged by the cooperative banks were settled by National Bank for Agriculture and Rural Development (NABARD) in a phased manner after scrutiny of the claims and subject to availability of funds from the Central Government/Reserve Bank of India (RBI). In terms of provisions of the same, NABARD was required to settle the claims within three months from the date of receipt of the claims, after appropriate scrutiny. As certain deficiencies were noticed in the implementation of the scheme by the cooperative banks, NABARD has advised the banks to ensure 100% verification of the claims to be done before the final claims were lodged. The claims lodged by banks were finally settled by NABARD on the basis of certificate as to the veracity of such claims as issued by the Chief Executives of these banks.

The final settlement of claims lodged by banks was made by NABARD after excluding the portion of penal interest/compound interest, wherever included in such claims, as stipulated under the scheme. However, where the concerned SCB/SLDB has certified that penal/compound interest had been excluded in their claims, no such exclusion was exercised. As a certificate was submitted by Rajasthan SLDB that penal and compound interest was not included in their claims, NABARD had settled their claims in full. However, as the Rajasthan SCB had not furnished such certificate, an amount of Rs. 14.68 crores was deducted from its claims in respect of penal and compound interest included by them in the said claims.

As per the guidelines, 31 March 1991 was the cut-off date prescribed by the Government for implementation of the ARDR Scheme. Although there was delay on the part of the banks in Rajasthan in the submission of the claim applications, advance payments were made by NABARD on the basis of estimated claims lodged by the banks. In the case of Rajasthan SCB, by the time the final claims were lodged with NABARD, a sum of Rs. 250.53 crores out of the total reimbursement of Rs. 278.83 crore had already been advanced. Similarly, a sum of 29.36 crore out of the total reimbursement of Rs. 32.62 crore was already made

to Rajasthan SLDB by the time the final claims were lodged with NABARD. Thus there has been no delay on the part of NABARD in reimbursing the claims lodged by Rajasthan SCB and SLDB. Further, there is no provision in the ARDR scheme to compensate banks for loss due to delay in the settlement of claims.

[English]

#### **FMs Foreign Visit**

534. SHRI CHANDRA BHUSHAN SINGH :  
SHRI DILEEP SANGHANI :

Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-item caption "FMs Russian visit comes a cropper" appearing in 'Pioneer' dated October 9, 1997;

(b) if so, whether Russia continued to insist on payments only in hard currency for the supply of Reactors;

(c) if so, whether the Government have agreed to accept these terms;

(d) if so, the present status of the existing agreement for construction of nuclear Reactors for the Kudankulam Power Project in Tamil Nadu;

(e) the details of the other discussions held with Russian authorities; and

(f) the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Yes, Sir.

(b) and (c) Russia has indicated a preference for repayment of the Russian credit for the Kudankulam project to be in freely repatriable hard currency. The terms and conditions of the Russian credit, including the modalities of repayment thereof, are under discussion between the two Governments.

(d) Once the finance issues under discussion are settled between the two Governments, a Supplement to the inter-Governmental Agreement of 1988 is expected to be concluded, paving the way for the preparation by the Russian sides of a detailed project report (DPR) for the Kudankulam Project

(e) and (f) Finance Minister visited Russia on October 5-8, 1997 for the inter-sessional discussions between the two co-Chairmen of the Indo-Russian Inter-Governmental Commission, and held wide ranging discussions with the Russian co-Chairman, First Deputy Prime Minister Mr. A. Chubais, and with Mr. M.E. Fradkov, the Minister for Foreign Economic Relations and Trade of the Russian Federation, over issues of bilateral trade, economic, cultural and scientific

and technical cooperation. The status of implementation of the decisions of the last session of the inter-Governmental Commission, held in Moscow in February, 1997 was reviewed. A detailed calendar for the meetings of the bilateral Working Groups and Sub-Groups in the areas of Banking and Finance, Power and Non-conventional Energy sources, Environment and Natural Resources, Metallurgy, Petroleum, Information Technology, Culture, Science and Technology, Transport and Trade and Economic Cooperation, was also finalised in the run-up to the Fourth session of the inter-Governmental Commission, to be held in New Delhi from November 27-29, 1997.

#### **Import of Dispensable Medical Care Devices**

535. SHRI SUKHDEO PASWAN :  
SHRI SHIVANAND H. KOUJALGI :

Will the Minister of INDUSTRY be pleased to state:

(a) the annual average of import of disposable medical care devices alongwith its value;

(b) the reasons for resorting to the imports of these medical care products;

(c) the impact of the import of such devices on the indigenous Products; and

(d) the steps proposed to be taken by the Government to encourage indigenous manufacturers?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) The estimated value of import of disposable medical care devices such as syringes, sutures & needles, catheters, cannula during the years 1996-97 was Rs. 89 crores.

(b) considering that the best medical facilities should be available to the people, the medical care products are placed under open general licence.

(c) and (d) Under the new industrial policy announced in 1991 and further policy measures taken, indigenous manufacturers are free to take investment decisions including those relating to technology transfer and foreign equity participation to make their product globally competitive.

#### **IMF Recommendation**

536. SHRI SONTOSH MOHAN DEV :  
DR. T. SUBBARAMI REDDY :

Will the Minister of FINANCE be pleased to state:

(a) whether the International Monetary Fund has unveiled new recommendations for India including tax restructuring and reduction of expenditure, and to bring down